1948-49 File No 184-48
Serial Nos 1, 2, 3, 4

Previous References

Later References
TB Rep 16 78/51-52

Serial Nos Four

P-20/E part B for March '49
Subject
-Exempting the office of the Trust Board from the payment of Sales Tax

To The Chairman, C.I.T.B. Mysore
No L 10852/D 23-3-49
-Grants directions
To The Comr for Sales Tax in Mysore
Memo No L 10853/D 23-3-49
KBG

Notes ——————— 7 Pages

Correspondence — ~~IX Pages~~ 14 Pages

General and Revenue Secretariat | File No 2508/FL of 194 . | App F III 2

Serial No

Letter No A 5 P R & C - 57/48-x & 14-11-48 from the chairman, C I T Board, by me enquiring whether Sales Tax should be collected or not in respect of the material stored in the Trust Board for being given to the contractors of the Trust Board works

1) The Fuel Branch may be consulted on the following points

1) Whether collection of Sales Tax more than once, as referred to in the chairman's report is in order,

1) " yes

2) Whether the Trust Board will have to be registered under section 11 of the Sales Tax Act, as stated by the commissioner of sales Tax,

2) If the Trust Boards buys and sells goods to contractors & if the turnover is not less than Rs 7,500/- per year registration is necessary

3) Whether any sales Tax should be collected on the materials stored by the Trust Board & other local bodies for being given to their bonafide contractors, when once sales Tax is levied on these materials

3) If the materials are treated as having been sold to contractors then the Sales Tax is leviable —

4) Whether any exemption

4) No such exemption is contemplated in this Act

Note — Contn Sheet

collection of sales Tax on the 3 s/c/ml
2508/FL materials, stored in the Sy line

File No Trust (2) of 194

General and Revenue Secretariat

Serial No

is made in respect of the materials stored in govt depts such as P W D in this respect

2) Submitted for orders

6/12 3 For favour of remarks on the proposals of the Chairman, C. & D B, Mysore and on the points referred to therein

7/12

7/12/48

XX

3 8/12/48

4 Submitted

On the points raised in the office note above, remarks have been noted against each item — It may be stated that if the Trust Board or Municipality purchases goods & sells them to contractors for carrying on the works of the Municipality, these Local Bodies will be considered as Dealers if the turnover of such transactions in a year exceed Rs 7,500/-, registration is necessary —

29/12/48 No exemption is contemplated in the Act in respect of purchases of Stores made either by Local Bodies or Departments of Govt

5 long as the stores are sold to Contractors, sales tax has to be levied

A reply may be sent accordingly and

collection of sales tax by the Syndicate 3
3810 82/ank to get itself registered
the office has

6 Asst Sr Rel Wpe 21/12

21/12

3810/ank

A

8

Sr Supdt

for 6/1/49

9 7/1/49

7/1/49

In the Chairman C.I.T.B Mysore
L 7992/mtn 184-48-2 dt 17-1-49
issues certain instructions

3/2/49

Letter No A & P R C 57/48-49
dt 27-1-49 from the chairman
in the matter

submitted -

In view of opinion
expressed at pages 4 & 6 supra, the chairman

2508
FL 4

of the Bypass enforcement
Trust Board was informed
that so long as the stores
are sold to the contractors
for carrying on the works of
the Trust Board, Sales Tax
has to be collected, as
the Trust Board will then be
considered as a dealer ~~and~~
and that, if the turnover
of such transactions in a
year exceeds Rs 7500/-,
his office has to get itself
Registered under the
provisions of the Act

~~The Chairman for~~
~~reasons stated~~
~~the~~

12) The chairman says
that, for the reasons stated,
there is no justification
in getting his office Registered
under the Sales Tax Act
& in collecting Sales Tax
from the contractors

5813/aul collection of Sales Tax — Mysore Thrift Fund

collection of Sales Tax — Mysore Thrift Fund

3810 ✓ 4687 ✓ 4805 ✓ 5813/aul

13) In the above circumstances, it is for orders whether the Commissioner for Sales Tax may not be consulted ~~again~~ in the matter

14) The argument advanced against the collection of Sales tax from the Contractors is that if it is collected the Contractors will recharge it to the Govt which will be a loss by the process. The Sales tax is only a very small fraction of the cost and it is not known whether in the P.W.D. and in other Depts, the Contractors are permitted to put up their previous estimates owing to the introduction of the Sales tax. This appears to be a bit of an unforseen charge, which should come out of the Contractor's margin of profit, without being permitted to be charged on to Govt again

Pr 12-2-49

15) The remarks of the Commissioner for Sales Tax will be obtained on the request of the Chairman, City Improvement Trust Board, Mysore

Genl Secy for 12/2/49

16) For Finance Minister

6

No 196 dy 17 2-49

17/2/49 Forwarded with compliments, for favour of remarks, if the Commissioner for Sales Tax in Mysore

By order
17/2/49
for General Secretary

No ST C 69/48-49
& Corr file

Returned w/c.

18/2 As long as the Trust Board supplies materials to contractors it is a seller & not consumer & sales tax is leviable on the transactions Being registered as 'dealer' under the S T Act they Trust Board is free to recover the s tax from the contractors. From this it does not follow that the contractor can charge it back unless the Trust Board in its executive capacity allows it as an addition to the contract rate, Otherwise the amount will be paid by the contractor out of his profits just in the same way as all other consumers bear the burden of tax

Rec'd 23/2

18/2/49 Comm of S T

Mr Mathews
Mr Venkatachar
Mr Rajagopal

5813/ml collection of Sales Tax – Hyma Trust Bom

letter No STR Regn 236/68-69 of

27/9 submitted with reference to para 16 above

20) If approved, the remarks of the commissioner for Sales Tax at para supra, will be communicated to the chairman, of Hyma Trust Board, Hyma.

hra 27/2 Pr 28.2.69 21) Yes, Pl instrs accordingly for 28/2/69

22) submitted with a draft letter – Ref para 21 above

hra 7/3 Pr 7.3.69 may be approved

9/3 Sd/- 8/3/69

2 9/3/69 Hyma Sd/- 10/3/69

To

The Ch C O T B Mysore
Comm for Sales Tax

No h 10852-3/ml 184-68-4
d 23 3 69
Directing the Ch to Contribute
Comm for Sales Tax in the
matter

B
for u

Ml 3810

No A5 PR 8 C-59/48-49/Encls 2

Office of the Chairman
City Improvement Trust Board

Mh. 184-48-1 Mysore, Dated 13th Novr 1948

From Sri P Sitaramiah Esq B A B L
CHAIRMAN CITY IMPROVEMENT TRUST BOARD

To Janab Syed Abdul Aleem, B A ,
SECRETARY TO THE GOVERNMENT OF
HIS HIGHNESS THE MAHARAJA OF MYSORE
REVENUE DEPARTMENT BANGALORE

Sir I have the honour to state that the sales tax was levied twice on one and the same consignment both by the Iron & Steel Works, Bhadravati, the original supplier and M/s Cement Marketing Co , of India, Ltd ,Bangalor through whom the cement was supplied It is only to make clear whether this claim is in order, that a reference was made to the Sales Tax Commissioner in Mysore, Bangalore, vide this office No A5 C 2127/47-48 dated 21st October 1948 (copy enclosed) The Sales Tax Commissioner has intimated that the claim is in order, and that the tax has to be collected even in this office also if the article is sold to the contractor Further he has stated that this office has also to be got registered under Section 11 of Mysore Sales Tax Act 1948, as per his above letter No Gl 227/48-49 dated 27th October 1948 (copy enclosed for ready reference)

In this connection, I would like to point out that this office is not stocking any materials for sales to the public The materials that have been stocked in this office are only for the use of the departmental works and not for the public use Under this circumstance it is quite clear that this office is only a consumer of articles mostly through departmental contractors and not a trader I think the sales tax is only payable by the traders and not by the consumers There are also other stores, in the Public Works Department, Bangalore City Municipality and Trust Board, of the same type and it is not known as to how these stores have been treated under the rules

I therefore request that the orders of Government may kindly be obtained in general pertaining to these departmental stores in the State which are all dealing with such articles for the use of Government works

Anyhow, I am of opinion that the Registering of such Government Offices under Section 11 of the Sales Tax Act 1948 and payment of sales

P T O

tax are not reasonable, as these stores have been particularly meant only to stock the materials required for the Government works and therefore considered to be the consuming departments

Since the collection of sales tax is not in the meanwhile, being made in this office as per Sales Tax Commissioner's letter referred to above, the matter may kindly be treated as very urgent and necessary instructions issued as to the furtner action to be taken in collecting the sales tax

Yours faithfully,

Chairman 18/11

HRS/4

Letter [illegible] 7/13- 3 dated 7[illegible] to [illegible] 13 [illegible] [illegible] - [illegible] of Sales [illegible] ir years, [illegible] lors, to t[illegible] ir [illegible], Gift, I[illegible] [illegible] t [illegible] Deed, [illegible]

Subject - Le[illegible] of [illegible] l s [illegible]n C[illegible]ent

With refer[illegible] to [illegible] r letter [illegible] [illegible]107/17- [illegible] [illegible] [illegible]1-10- [illegible], [illegible] [illegible] to t[illegible] t [illegible] r[illegible]ng c[illegible]nt, l[illegible] of [illegible] l [illegible] t[illegible] [illegible] in th[illegible] [illegible] t[illegible] [illegible] t ge [illegible]n [illegible] If [illegible] [illegible] corp[illegible] ll th[illegible] c[illegible]t to t[illegible] contr[illegible]tors, [illegible] [illegible] [illegible] [illegible] l [illegible]ble at t[illegible]t ct ge In order to be [illegible] o coll ct t[illegible], t[illegible] Trust [illegible]rd [illegible] ll [illegible] to r[illegible]st r itself under S[illegible] ll [illegible]son [illegible] l s [illegible]x ct

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" Copy "

O.H.Ramsal

73/2 Ch[illegible]n

Letter No A5 PR G 2107/47-48 dated 19/21st October 1948 from the Chairman, City Improvement Trust Board, Mysore, to the Commissioner of Income-tax & Sales Tax Department, New Public Offices Bangalore

---

I have the honour to inform you that 280 bags of cement were supplied from M/s Iron & Steel Works, Bhadravati, to this office through the Cement Marketing Co., Bangalore, at a cost of Rs 1,235-8-0 It is seen in the Bill No 30/F 157 dated 1st October 1948 sent from the Cement Marketing Co., of India, Ltd., Bangalore, that the Sales Tax has been claimed twice in the Bill as per extract of the bill noted in the margin for favour of your information I request you to kindly intimate whether the levy of Sales Tax twice on one and the same consignment is in order and whether same has to be admitted in audit and paid Further, I may kindly be informed whether the Sales Tax has to be again levied in this office also on sales to the Contractors for Department use

1) Cost of Cement at Rs 83-4-0 per ton F O R, Mysore	Rs 1,235	8 0
2) Add Mysore Govt Sales Tax payable at source 0-0-3 per Rupees on Rs 1,235-8-0	19	4 11
Total	Rs 1,254	12 11
3) Add Mysore Govt Sales Tax payable by us at 0-0-3 per Rupees on Rs 1,254-12-11	19	9 8
Grand Total	Rs 1,274	6 7

An early reply in the matter is requested

" Copy "

G Ghulam Sal

MRS/3

Chairman

Do A5 PR 8 C 59/48-49 4687/ad

P. Sitaramiah B A B L
CHAIRMAN

CITY IMPROVEMENT TRUST BOARD
MYSORE

Date 16th December 1948

5

My dear Janab Mohamad Ismail Sheriff

Sub: Exempting the Mysore City Improvement Trust Board from the payment of Sales-Tax

---

I write to invite your kind reference to this Office letter of even number dated 14th November 1948 on the above subject and request you to kindly intimate at an earlv date the orders of Government on the subject

Yours sincerely,

P Sitaramiah 16/12

Janab Mohamed Ismail Sheriff,B A ,
Secretary to Government,
General Department,
Bangalore

4805/mc 6

P Sitaramiah B A B L
CHAIRMAN

CITY IMPROVEMENT TRUST BOARD
MYSORE
Date 25-12- 1948
4805

D O No 15 PR 8 C-59/48-49

Dear Janab Mohamed Ismail Sheriff,

Sub - Exempting the Mysore City Improvement Trust Board from the payment of Sales Tax

I write to invite your kind reference to this office letter of even number dated 14th November '48 and subsequent reminder dated 16th December 1948 on the above subject and request you to kindly obtain the early sanction of Government with effect from 1st September 1948

This office has already paid heavy amount as Sales Tax on S I Pipes and Cement which may also kindly ordered to be refunded

very early sanction is requested

Yours sincerely,,
P Sitaramiah

Janab Mohamed Ismail Sheriff,B
Secretary to the Government of
His Highness the Maharaja of Mysore,
General Department,
Bangalore

Ref L 7992 / Mh. 184-48-2 7

To,

The chairman, C.B.I.T.
Board, Nyne

Sir,

In reply to your letter
No A S P R & C-59/48-49
d 14-11-48 re the levy of
Tax on goods stored by the
Board, I am directed to state
that so long as the stores
sold to the contractors for carrying into work of the Trust
The Trust Board will not be considered as a dealer
I am to add that, if the turnover of such
transactions in a year exceeds
Rs 7,500/- the Office has also
set itself to register itself the
persons of the Act & the rules framed
thereunder

8

memo no: L2993-5/vol 184-48-2

17-1-48

Copy Memo to the Sales Tax

Comptroller in regard to

(2) the Comptroller to ask

(3) the chief Engr for names

for supervisor

Do

for

the Industry Man

9

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

No L7992/ml 184-48-2

General and Revenue Secretariat,

Dated Bangalore, 17-1-1949

FROM

The Secretary to the Government of
His Highness the Maharaja of Mysore

To General Department

The Chairman,
City Improvement Trust Board,
SIR, Mysore

In reply to your letter No. A5 P R 8 C-59/48-49 dated 14th November 1948 regarding the levy of sales tax on goods stored by the Board, I am directed to state that so long as the stores are sold to the contractors for carrying on the works of the Municipality or Trust Board, sales tax has to be collected, as the Trust Board will then be considered as a dealer. I am to add that, if the turnover of such transactions in a year exceeds Rs 7,500/-, the office has also to get itself registered under the provisions of the Act and the rules framed thereunder.

Yours faithfully,

Sd/- Mir Safdar Hussain,
Secretary to Government,
General Department

Memo No L7993-5/ml 184-48-2 dt 17-1-1949

Copy of the above is forwarded, with compliments, to

By Order,

For Secretary to Government,
General Department

Mk. 184-48-3 5513/44 10

No A5 PR 8 C-59/48-49

Office of the Chairman
City Improvement Trust Board,

Mysore, Dated 27th Jany.. 1949

From

Sri T.Venkataramaniah,
~~Rao Saheb~~ Esq., B.E.(Elec.)
CHAIRMAN CITY IMPROVEMENT TRUST BOARD
MYSORE

To

Janab Mir Safdar Hussain, B A ,
SECRETARY TO THE GOVERNMENT OF
HIS HIGHNESS THE MAHARAJA OF MYSORE
Genl ~~REVENUE~~ DEPARTMENT BANGALORE

Sir

Sub - Exempting this office from the payment of Sales Tax

With reference to your letter no L 7992/M 184-48-2 dated 17th January 1949 intimating the orders of Government that this office is also considered as a dealer and the sales tax has to be paid and this office has also to be registered etc I have the honour to inform you that this office purchases materials only for the use of the Government works and not for sale to the public and only damaged and released goods of dismantled properties will be auctioned with permission of the Board Hence this department is to be considered as a consumer and not as a seller The question of Registering this office as a bonafide seller does not arise Furtner the materials purchased by this department will be utilised entirely for departmental works through the contractors If the sales tax is still to be recovered from the contractors, Government will

P T O

have to pay extra rate to Contractors This bears payment of the tax by Government to the Government itself

Under the above circumstances. I request you to kindly obtain Government Order and communicate the same to this office for reference

Yours faithfully,

J. Venkata Ramaiy

Chairman

27/11

HRS

Hosur-1 Mk. 184-148-4 3 copies

23/3/64

G R S App F G 3

GENERAL AND REVENUE SECRETARIAT

(*Continuation sheet draft form*)

---To, ----

The chairman, C & T

Board, Mysore

sub:- Exempting the

offices of the Trust Boards

from payment of

Sales Tax

Sir,

With reference

to your letter No AS

-9-R & C-59/68-69

dt 27-1-69 on the

above subject, I am

directed to state

as follows,-

As long as the

Trust Boards supplies

materials to contracts

it is a seller and

not a consumer and

sales Tax is leviable

on the transactions

WD 0565—GPB—22 500—8 11 38

Being registered as "Dealer"
under the Sales Tax Act, the
Trust Board is free to recover
the tax from all the
contractors - from this,
it does not follow that
the contractor can charge
it back under the Board
in its executive
capacity allows it as an
addition to the
contract rate, otherwise
the amount should be paid
by the contractor out of his
profits - -
- - In case any further
information is required on this
subject, the Commissioner
for Sales Tax may be
addressed direct in the
matter - -

Yes for approval
Yes M Nly

Memo re Address [illegible]
23/7/24

profits

for 9/8/24

Copy of this advice forwarded for
to the Commissioner for Sales Tax for information
with reference to his Memo No STC 63/24 dated 18-7-24 on the subject - Re Trust Boards

for

14

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

No L10853/RL-184-48-4 **General and Revenue Secretariat,**

Dated Bangalore, 23-3-1949

FROM

The Secretary to the Governm nt of His Highness the Maharaja of Mysore
General Department

To

The Chairman,
City Improvement Trust Board,
Mysore

SUBJECT Exempting the office of the Trust Board from payment of Sales Tax

Sir,

With reference to your letter No A5 PR 8 C 59/48-49 dated 27th January 1949 on the above subject, I am directed to state as follows -

As long as the Trust Board supplies materials to contractors, it is a seller and not a consumer and sales tax is leviable on the transactions. Being registered as "Dealer" under the Sales Tax Act, the Trust Board is free to recover the tax from the contractors From this, it does not follow that the contractor can charge it back unless the Board in its executive capacity allows it as an addition to the contract rate, otherwise the amount should be paid by the contractor out of his profits

In case any further information is required on this subject, the Commissioner for Sales Tax may kindly be addressed direct in the matter.

Yours faithfully,

Sd/- Mir Safdar Hussain,
Secretary to Government,
General Department

Memo No L10853/RL— dt 23-3-49

Copy of the above is forwarded, with compliments, to the Commissioner for Sales Tax in Mysore, with reference to his unofficial Note S T C 68/48-49 dated 18th February 1949 on the subject

By Order,

For Secretary to Government,
General Department